**COST RESPONSIBILITY SURCHARGE TARIFF EXEMPTION**
***Draft Final 11/10/03***

## Part 1 –Introduction and Overview

**A. Applicability:** This Application for Customer Generation Cost Responsibility Surcharge (CRS) Tariff Exemptions (Application) is for the purpose of requesting an exemption from various nonbypassable charges related to Customer Generating Facilities used to replace or supplement electric utility service. It may be used to request exemption from certain nonbypassable charges and requirements under Utility tariff schedules.

Capitalized terms used in this Application, and not otherwise defined herein, shall have the same meanings as defined in Utility's Rules 1 and 21. This Application may be used for any Generating Facility operated by or for a Customer to serve all or a portion of the Customer's electric service requirements that would otherwise be served by the Utility. Such Generating Facilities are sometimes referred to as "customer" generation or "distributed" generation.

**B. Guidelines and Steps for Processing:** This Application must be completed and sent to the Utility to initiate the Utility's review and determination of tariff exemption eligibility for the proposed Generating Facility and for the California Energy Commission (CEC) to execute its responsibilities with regard to managing the statewide Megawatt (MW) Cap, currently set at 3,000 MW. The Utility will first make a provisional determination as to whether the Generating Facility qualifies for available exemptions. Final categorization and notice will be made only after the Utility and the CEC confirm that the installation qualifies for the exemption.

***All customers seeking an exemption from the Cost Responsibility Surcharge, as determined in California Public Utilities Commission (CPUC) Decision 03-04-030, for a customer generation project must complete and submit this Application to both the Utility and the CEC. Information provided to the Utility on this Application will be shared with both the CEC and the CPUC.***

This Application supplements, and does <u>not</u> replace, the Utility's application to interconnect a Generating Facility. Separate interconnection applications are available and are required to be completed to request the interconnection of a Generating Facility. Other approvals may also need to be acquired and/or other agreements may need to be formed with the Utility and various governmental regulatory agencies, such as the air quality management districts and local governmental building and planning departments prior to operating a Generating Facility.

**C. Glossary:** A glossary of commonly used terms found throughout this Application is contained in Attachment I. Where applicable, the source is provided for a more complete definition of the term.

**D. Mailing Instructions, Assistance:** When this Application has been completed it must be printed and mailed, along with the required attachments to the Utility and to the CEC at the address below.

| | |
|---|---|
| California Energy Commission | Electric Utility (SCE/PG&E/SDG&E) |
| 1516 9th Street, MS-32 | Utility Address |
| Sacramento, CA 95814 | Utility City, Zip Code |

Questions concerning the completion of this form or the use of the information requested may be directed to the Utility.

**E. Approval and Categorization:** Within 10 calendar days of receipt of the completed Application, the Utility will notify you in writing of the following:

- Provisional Categorization of the Generating Facility.
- Conditions that must be met before Final Categorization will be granted.
- A description of the Cost Responsibility Surcharge (CRS) the Customer will be exempt or not exempt from paying.

Should you disagree with the Utility's Provisional Categorization, please contact the CEC.

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## Part 2 – Generating Facility Location and Responsible Parties

| *Facility Name:* | *Date Received:* | *Utility Reference Number:* |
|---|---|---|
| | | |

***(For Utility Use Only)***

**A. Host Customer Facility Information** (Where will the Generating Facility be installed?)

| | | |
|---|---|---|
| | | |
| Name shown on Utility electric bill | Electric Service Account No. | Meter Number |

***NOTE: Please submit a copy of the host Customer facility's electric service bill.***

| | | | |
|---|---|---|---|
| | | | |
| Service Address shown on electric bill | City | State | Zip |

**B. Host Customer Contact Information** (Customer to receive the tariff exemption)

| | |
|---|---|
| | |
| Contact Person | Company Name |

| | | |
|---|---|---|
| | | |
| Phone | Fax | Email |

| | | | |
|---|---|---|---|
| | | | |
| Mailing Address | City | State | Zip |

**C. Applicant Contact Information** (If not the Host Customer)

| | |
|---|---|
| | |
| Individual's Name | Title (Position) |

| | | |
|---|---|---|
| | | |
| Phone | Fax | Email |

| | | | |
|---|---|---|---|
| | | | |
| Mailing Address | City | State | Zip |

**COST RESPONSIBILITY SURCHARGE TARIFF EXEMPTION**

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## Part 3 – Description of Generating Facility

| | | |
|---|---|---|
| | | |
| Nameplate (kW) - Total Gross Nameplate Rating of Generating Facility | Net Output (kW) – Total Estimated Maximum Customer Demand served by Generating Facility, if other than Total Gross Nameplate Rating | Net Output (Estimated Annual kWh) |

Generator No. 1 (Use additional sheets if necessary)

**A. Equipment Description**

| | |
|---|---|
| | |
| Manufacturer | Model |

| | |
|---|---|
| | |
| Nameplate Rating (kW) | Net Output Rating (kW) |

| |
|---|
| |
| Number of Generators of this type |

**B. Operational Date**

| | |
|---|---|
| | |
| Actual (already in operation) | Estimated |

**C. Prime Mover Type**

| |
|---|
| |
| Select from list below. |

Prime Mover Types
1. Internal combustion reciprocating engine
2. Gas micro-turbine
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel Cell
6. Wind turbine
7. Hydro turbine
8. Other (please specify)

**D. Fuel Type**

| |
|---|
| |
| Select from list below. |

Fuel Types
1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (please specify)
6. Not Applicable

## Part 3 – Description of Generating Facility (continued)

Generator No. 2 (Use additional sheets if necessary)

**A. Equipment Description**

| | |
|---|---|
| | |
| Manufacturer | Model |
| | |
| Nameplate Rating (kW) | Net Output Rating (kW) |

| |
|---|
| |
| Number of Generators of this type |

**B. Operational Date**

| | |
|---|---|
| | |
| Actual (already in operation) | Estimated |

**C. Prime Mover Type**

| |
|---|
| |
| Select from list below. |

Prime Mover Types
1. Internal combustion reciprocating engine
2. Gas micro-turbine
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel Cell
6. Wind turbine
7. Hydro turbine
8. Other (please specify)

**D. Fuel Type**

| |
|---|
| |
| Select from list below. |

Fuel Types
1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (please specify)
6. Not Applicable

Generator No. 3 (Use additional sheets if necessary)

**A. Equipment Description**

| | |
|---|---|
| | |
| Manufacturer | Model |
| | |
| Nameplate Rating (kW) | Net Output Rating (kW) |

| |
|---|
| |
| Number of Generators of this type |

**B. Operational Date**

| | |
|---|---|
| | |
| Actual (already in operation) | Estimated |

**C. Prime Mover Type**

| |
|---|
| |
| Select from list below. |

Prime Mover Types
1. Internal combustion reciprocating engine
2. Gas micro-turbine
3. Gas turbine
4. Photovoltaic (Solar)
5. Fuel Cell
6. Wind turbine
7. Hydro turbine
8. Other (please specify)

**D. Fuel Type**

| |
|---|
| |
| Select from list below. |

Fuel Types
1. Natural Gas
2. Landfill Methane
3. Digester Methane
4. Diesel
5. Other (please specify)
6. Not Applicable

## Part 4 - Applicability of Qualifying Criteria

**Indicate if the Generating Facility meets any of the following criteria:**

1. Will the Generating Facility serve a campus of the University of California or California State University system?

   ___ **Yes**

   ___ **No**

   Applicable to Generator ___1, ___2, ___3 (check all that apply).

---

2. Will the entire Generating Facility be operated under the Utility's "Net Energy Metering" tariff?

   ___ **Yes** - Attach a copy of the application for interconnection and service under Schedule X-XXX that you received from the Utility.

   ___ **No**

   Applicable to Generator ___1, ___2, ___3 (check all that apply).

---

3. Will the Generating Facility be operated under the Utility's "Biogas Net Energy Metering" tariff?

   ___ **Yes** - Attach a copy of the application for interconnection and service under Schedule X-XXX that you received from the Utility**.**

   ___ **No**

   Applicable to Generator ___1, ___2, ___3 (check all that apply).

---

4. Will the Generating Facility be under 1 MW in size and eligible for financial incentives from either the Self-Generation Incentive Program (SGIP) or a CEC incentive program?

   ___ **Yes** - Attach a copy of the "Reservation Confirmation Incentive Claim Form" that you received from the Utility or attach a copy of the CEC incentive documentation you received from the CEC.

   ___ **No**

   Applicable to Generator ___1, ___2, ___3 (check all that apply).

---

5. Will the Generating Facility meet the requirements for an **Ultra-Clean and Low-Emissions facility** as defined in Public Utilities Code Section 353.2?

   ___ **Yes** - Attach CARB certification documentation and complete **Part 5.**

   ___ **No**

   Applicable to Generator ___1, ___2, ___3 (check all that apply).

---

6. Will the Generating Facility be operated in a "Combined Heat and Power Application", meeting the efficiency requirements for "Cogeneration" in Section 218.5 of the Public Utilities Code?

   ___ **Yes** - Complete **Part 6.**

   ___ **No**

   Applicable to Generator ___1, ___2, ___3 (check all that apply).

---

***Note: This Generating Facility may be monitored for ongoing compliance pursuant to Public Resources Code Section 1395.4. If conditions change in the operation of this Generating Facility, such as changes in Net Output, and/or generation capability, it is the responsibility of the Customer to immediately notify both the Utility and the CEC of such changes.***

## Part 5 – Declaration in Support of Claim of DWR Power Charge Exemption Under Public Utilities Code Section 353.2

This Declaration documents assertions by _____ ("Customer") that the Generating Facility qualifies for an exemption from the Department of Water Resources (DWR) Power Charge pursuant to Decision 03-04-030 as authorized by Public Utilities Code Section 353.2. Customer understands that the information provided below has a direct and material bearing on meeting legal requirements for the DWR Power Charge exemption. Customer agrees to inform the Utility at the address specified below within 30 days should any of the information contained herein become outdated or inaccurate at any time during the Generating Facility's operation.

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**Exemption Qualifications (check all that apply)**

_____ The Customer owns and/or operates a Generating Facility that commenced initial operation between January 1, 2003 and December 31, 2008.

_____ The Generating Facility has been certified by the California Air Resources Board (CARB) as "Ultra Clean and Low-Emissions" (PUC Section 353.2). **CARB certification documentation is attached.**

_____ The Generating Facility, described in more detail in Part 3 of this Application, produces zero emissions during its operation.

_____ The Generating Facility, described in more detail in Part 3 of this Application, produces emissions during its operation that are equal to or less than the 2007 CARB emission limits for distributed generation, except that technologies operating by combustion must operate in a combined heat and power application with a 60-percent system efficiency or on a **higher** heating value. Calculation of generation efficiency is provided below.

## Part 5 – Declaration in Support of Claim of DWR Power Charge Exemption Under Public Utilities Code Section 353.2 (continued)

### Calculations

**Completion of this section is required unless CARB Certification is included as part of this application.** Use calculation format below or attach separate calculations concerning expected calendar year operations. Calculations must be consistent with Public Utilities Code Section 353.2.

**Efficiency Standard Formula:**

$$\frac{\text{Electric Output (Btu)} + \text{Useful Thermal Output (Btu)} \times 100\%}{\text{Fuel Input (Btu)}} \geq 60\%$$

| | |
|---|---|
| Total Generating Facility Annual Operation [AO] | ___ hr/yr |

| | |
|---|---|
| Gross Generating Facility Nameplate: | _____ kW |
| - Parasitic Losses: | _____ kW |
| = Net Generating Facility | _____ kW |
| x 3413 Btu / hr / kW | |
| = Net Electric Output | _____ Btu/hr |
| x [AO] | |
| = Total Net Electric Output [TNEO] | _____Btu/yr |

| | |
|---|---|
| Generating Facility Thermal Output | _____ Btu/hr |
| - Adj. For Wasted Thermal | _____ Btu/hr |
| = Net Useful Thermal | _____ Btu/hr |
| x [AO] | |
| = Total Net Useful Thermal [TNUT] | _____ Btu/yr |

| | |
|---|---|
| Fuel Input [HHV] | _____ Btu/hr |
| x [AO] | |
| = Total Fuel Input [TFI] | _____ Btu/yr |

$$\frac{(\text{TNEO}) + (\text{TNUT}) \times 100\%}{(\text{TFI})} \geq 60\%$$

This calculation prepared by _____(name),
_____ _____(Company),
_____ (telephone), on _____ (date)

## Part 5– Declaration in Support of Claim of DWR Power Charge Exemption Under Public Utilities Code Section 353.2 (continued)

**Utility Notification Address**

All changes to this Declaration must be communicated in writing to the Utility at the address below.

Electric Utility (SCE/PG&E/SDG&E)
Utility Address
Utility City, Zip Code

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I, _____ declare under penalty of perjury under the laws of
(please print)
the State of California that all the information provided above and in this Application is true and correct.

_____ (Signature)

_____ (Title)

_____ (Company)

_____ (Date)

## Part 6 – Declaration in Support of Claim of Competition Transition Charge Exemption Under Public Utilities Code Section 372

This Declaration documents assertions by _____ ("Customer") that the Generating Facility qualifies for an exemption from the Competition Transition Charge ("CTC") as authorized by Public Utilities Code Section 372. Customer understands that the information provided below has a direct and material bearing on meeting legal requirements for the CTC exemption as set forth in Sections 218, 218.5, and 372 of the Public Utilities Code. Customer agrees to inform the Utility at the address specified below within 30 days should any of the information contained herein become outdated or inaccurate at any time during the Generating Facility's operation.

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**Exemption Qualifications (all must apply)**

- The Generating Facility, described in more detail in Part 3 of this Application, is statutorily exempt under Public Utilities Code Section 372.
- The Generating Facility, described in more detail in Part 3 of this Application, meets annual Cogeneration operating and efficiency standards (Standards) as required under Public Utilities Code Section 218.5. Calculation of the Standards is provided below.
- Delivery of electric energy to all load is/will be consistent with the requirements set forth in Public Utilities Code Section 218 for exclusion of the Generating Facility from being defined as an "electric corporation."
- The Generating Facility is non-mobile.

**Calculations**

**Completion of this section is required unless documentation is included as part of this Application.** Use the calculation format below or attach separate calculations concerning expected calendar year operations. Both calculations must be consistent with Public Utilities Code Section 218.5 and both calculations must be met to qualify for this exemption.

**Efficiency Standard Formula:**

$$\frac{\text{Electric Output (Btu)} + \text{Useful Thermal Output (Btu)} \times 100\%}{\text{Fuel Input (Btu)}} \geq 42.5\%$$

**Operating Standard Formula:**

$$\frac{\text{Useful Thermal Output (Btu)} \times 100\%}{\text{Useful Thermal Output (Btu)} + \text{Net Electric Output (Btu)}} \geq 5\%$$

## Part 6 – Declaration in Support of Claim of Competition Transition Charge Exemption Under Public Utilities Code Section 372 (continued)

| | |
|---|---|
| Total Generating Facility Annual Operation [AO] | ___ hr/yr |

| | |
|---|---|
| Gross Generating Facility Nameplate: | _____ kW |
| - Parasitic Losses: | _____ kW |
| = Net Generating Facility | _____ kW |
| | x 3413 Btu / hr / kW |
| = Net Electric Output | _____ Btu/hr |
| x [AO] | |
| = Total Net Electric Output [TNEO] | _____Btu/yr |

| | |
|---|---|
| Generating Facility Thermal Output | _____ Btu/hr |
| - Adj. For Wasted Thermal | _____ Btu/hr |
| = Net Useful Thermal | _____ Btu/hr |
| x [AO] | |
| = Total Net Useful Thermal [TNUT] | _____ Btu/hr |

| | |
|---|---|
| Fuel Input [HHV] | _____ Btu/hr |
| x [AO] | |
| = Total Fuel Input [TFI] | _____Btu/yr |

$$\frac{(\text{TNEO}) + \_(\text{TNUT}) \times 100\%}{(\text{TFI})} \geq 42.5\ \%$$

$$\frac{(\text{TNUT}) \times 100\%}{(\text{TNUT}) + (\text{TNEO})} \geq 5\ \%$$

These calculations prepared by _____ (name),
_____ _____(Company),
_____ (telephone), on _____ (date).

## Part 6 – Declaration in Support of Claim of Competition Transition Charge Exemption Under Public Utilities Code Section 372 (continued)

**Utility Notification Address**

All changes to this Declaration must be communicated in writing to the Utility at the address below.

Electric Utility (SCE/PG&E/SDG&E)
Utility Address
Utility City, Zip Code

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I, _____ declare under penalty of perjury under the laws of
(please print)
the State of California that all the information provided above and in this Application is true and correct.

_____ (Signature)

_____ (Title)

_____ (Company)

_____ (Date)

# ATTACHMENT I – Glossary

*Note: The following is provided for informational purposes only. Legal descriptions and definitions are governed by CEC Regulations (Public Resources Code Section 1395), CPUC Code, and CPUC Decisions.*

| | |
|---|---|
| ***CEC*** | California Energy Commission |
| ***CPUC*** | California Public Utilities Commission |
| ***Cost Responsibility Surcharge or CRS*** | Energy cost obligations consistent with CPUC Decision 03-04-030 and subsequent CPUC decisions. CRS Charges may include the Historical Procurement Charge (SCE customers only), DWR Bond Charge, the DWR Power Charge, and applicable CTC Charges. |
| ***Competition Transition Charge or CTC*** | Generally, those costs that cover the Utilities generation-related infrastructure investments and power purchases (QF) payments that are not competitive after restructuring. |
| ***Departing Load or DL*** | A customer that switches and/or replaces all or part of its load to another distribution source such as self-generation, cogeneration, an irrigation district or municipality. (Elect. Preliminary Statement BB.) |
| ***DWR*** | California Department of Water Resources. |
| ***DWR Bond Charge*** | The charge implemented by the CPUC to recover past DWR costs from Utility bundled ratepayers "Bond Related Costs" as defined in CPUC Decision 02-02-051. |
| ***DWR Power Charge*** | The charge implemented by the Commission to recover from the Utility bundled ratepayers DWR's current, going forward costs. |
| ***Exemptions from CTCs*** | When used in reference to departed load, that portion of customer load served through a direct transaction that does not require the use of Utility's transmission or distribution facilities. Any party claiming an exemption from transition charges (CTCs) under this provision shall demonstrate through a physical test, the ability to start and fully operate on an ongoing basis without the use or requirement of Utility's T&D system (black start). |
| ***Final Categorization*** | A point at which the CEC determines whether an application meets all conditions to be eligible for an applicable CRS exemption. |
| ***Interconnection; (Interconnected)*** | Connection to and parallel operation with the utility's distribution system for 60 cycles or more. |
| ***Net Generation Metering*** | The metering of the net electrical energy output in kW and kWh from a given Generating Facility. This may also be the measurement of the difference between the total electrical energy produced by a Generating Facility and the electrical energy consumed by the auxiliary equipment necessary to operate the Generating Facility, also referred to as the station or parasitic load. |
| ***Provisional Categorization*** | The first step in determining whether or not a Generating Facility appears to qualify for certain exemptions. Once the Utility grants Provisional Categorization, the CEC will review and make a Final Categorization. |
| ***Rule 21*** | Rule describing the interconnection, operating and metering requirements for Generating Facilities intending to connect to the Utility's distribution system, under CPUC jurisdiction. |
| ***Section 218.5 of Public Utilities Code*** | Defines cogeneration as follows: (a) at least 5 percent of the Generating Facility's annual energy output shall be in the form of useful thermal energy; (b) where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output equals not less than 42.5 percent of any natural gas or oil energy input. |
| ***Self-Generation Incentive Program or SGIP*** | CPUC Program providing financial incentives for the installation of new, qualifying equipment installed to meet all or a portion of electrical needs of a facility. |